PRESIDENT: The Chair recognizes Senator Hannibal, Senator Landis and Senator Vickers.

SENATOR HANNIBAL: Thank you, Mr. President and members. I would like to ask Senator Eret if he would yield to a question.

SENATOR ERET: Senator Hannibal.

Senator Eret, I'm having a little SENATOR HANNIBAL: confusion here and I don't necessarily want to speak in favor or against the bill but I would like to ask a question that maybe you can help me with. If we use an example and I'm not sure if the Haberman amendment took out exactly what I am looking at or not, I think it did not, but if we use an example that a school district had a budget of say \$100.00 that 10% \$10.00 of or that budget was transportation, your bill is taking that \$10.00 and putting it over to a separate levy. I understand that part of it. What happens, now your operational budget, if we will, drops to \$90.00, can the school district then take that \$90.00 operational budget and take it back to a \$100.00 and not be under any new lid requirement whatsoever and get back to the same budget base or is the combination of the \$90.00 in operational and the \$10.00 in transportation still subject to a total lid with the Haberman amendment?.

SENATOR ERET: Well it should be...it is the intent that it should be the total would be subject to the lid.

SENATOR HANNIBAL: So that if you are dealing with the \$100.00 total budget, by removing the reference towards exemption as we just did with the Haberman amendment, then your \$100.00 under this bill will still be subject to the total lid situation?

SENATOR ERET: The only exception to that would be that for the first year the \$10.00 as you are suggesting would not be under the lid the first year but it would automatically come back under it the second year then. That is because any new budgeted line item is exempt from a lid during the first year. That is just the way the statutes are set up now to